

105TH CONGRESS
2D SESSION

H. R. 3638

To require a preference for Federal contractors that hire welfare recipients, to require the Secretary of Transportation to make grants to assist States and other entities in financing transportation services for welfare recipients, and to allow the Secretary of Health and Human Services to provide guarantees of State loans to current or recent welfare recipients.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require a preference for Federal contractors that hire welfare recipients, to require the Secretary of Transportation to make grants to assist States and other entities in financing transportation services for welfare recipients, and to allow the Secretary of Health and Human Services to provide guarantees of State loans to current or recent welfare recipients.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PREFERENCE FOR CONTRACTORS THAT HIRE**
2 **WELFARE RECIPIENTS.**

3 (a) PREFERENCE.—In awarding a contract covered
4 by this section, the head of a department or agency of
5 the Federal Government shall give preference to an entity
6 that agrees to hire welfare recipients for jobs created to
7 carry out the contract.

8 (b) EVALUATION.—To carry out subsection (a), the
9 head of a department or agency shall develop a system
10 under which, in the evaluation of an offer from an entity
11 for a contract, the preference given to the entity will be
12 greater as the number of welfare recipients that the offer-
13 or agrees to hire increases.

14 (c) EXCEPTIONS.—The requirement of subsection (a)
15 shall not apply in the evaluation of offers for a contract
16 if—

17 (1) the Secretary of Defense determines that
18 the subsection should not apply for national security
19 reasons; or

20 (2) the head of the department or agency deter-
21 mines that no entry-level jobs are expected to be cre-
22 ated to carry out the contract.

23 (d) COVERED CONTRACTS.—This section applies to
24 any contract in an amount in excess of \$500,000 entered
25 into after the date of the enactment of this Act by a de-

1 partment or agency of the Federal Government using com-
2 petitive procedures.

3 (e) WELFARE RECIPIENT.—The term “welfare recip-
4 ient” means a recipient of assistance under a State pro-
5 gram funded under part A of title IV of the Social Secu-
6 rity Act.

7 **SEC. 2. ACCESS TO JOBS GRANTS.**

8 (a) GENERAL AUTHORITY.—The Secretary of Trans-
9 portation shall make grants to States under this section
10 to assist State agencies, local governmental authorities,
11 and nonprofit organizations in financing transportation
12 services designed to transport welfare recipients to and
13 from jobs and activities related to their employment. The
14 Secretary shall coordinate activities under this section
15 with related activities under programs of other Federal de-
16 partments and agencies.

17 (b) GRANTS BY STATES.—Each State to which a
18 grant is made under this section shall use the grant pro-
19 ceeds to make grants to State agencies, local government
20 authorities, and nonprofit organizations. In selecting ap-
21 plicants for grants under this subsection, the State shall
22 consider the following:

23 (1) The percentage of the population in the
24 area to be served that are welfare recipients.

1 (2) The need for additional services to trans-
2 port welfare recipients to and from specified jobs,
3 training, and other employment support services,
4 and the extent to which the proposed services will
5 address those needs.

6 (3) The extent to which the applicant dem-
7 onstrates coordination with, and the financial com-
8 mitment of, existing transportation service providers.

9 (4) The extent to which the applicant dem-
10 onstrates maximum utilization of existing transpor-
11 tation service providers and expands existing transit
12 networks or hours of service or both.

13 (5) The extent to which the applicant dem-
14 onstrates an innovative approach that is responsive
15 to identified service needs.

16 (6) The extent to which the applicant presents
17 a comprehensive approach to addressing the needs of
18 welfare recipients and identifies long-term financing
19 strategies to support the services under this section.

20 (c) ELIGIBLE PROJECTS.—A State may make grants
21 under this section only for—

22 (1) capital projects and to finance operating
23 costs of equipment, facilities, and associated capital
24 maintenance items related to providing access to
25 jobs under this section;

1 (2) promoting the use of transit by workers
2 with nontraditional work schedules;

3 (3) promoting the use by appropriate agencies
4 of transit vouchers for welfare recipients under spe-
5 cific terms and conditions developed by the Sec-
6 retary; and

7 (4) promoting the use of employer-provided
8 transportation including the transit pass benefit pro-
9 gram under subsections (a) and (f) of section 132 of
10 the Internal Revenue Code of 1986.

11 No planning or coordination activities are eligible for as-
12 sistance under this section.

13 (d) FEDERAL SHARE OF COSTS.—The Federal share
14 of costs under this section shall be provided from funds
15 apportioned under this section. The Federal share of the
16 costs for a project under this section shall not exceed 50
17 percent of the net project cost. The remainder shall be
18 provided in cash from sources other than revenues from
19 providing mass transportation. Funds appropriated to a
20 Federal department or agency (other than the Department
21 of Transportation) and eligible to be used for transpor-
22 tation may be used toward the nongovernment share pay-
23 able on a project under this section.

24 (e) PLANNING REQUIREMENTS.—The requirements
25 of sections 5303 through 5306 of title 49, United States

1 Code, apply to grants made under this section. Applica-
2 tions must reflect coordination with and the approval of
3 affected transit grant recipients and the projects financed
4 must be part of a coordinated public transit-human serv-
5 ices transportation planning process.

6 (f) GRANT REQUIREMENTS.—A grant under this sec-
7 tion shall be subject to all of the terms and conditions
8 of grants made under section 5307 of title 49, United
9 States Code, and such terms and conditions as determined
10 by the Secretary.

11 (g) APPORTIONMENT OF FUNDS.—The Secretary
12 shall apportion funds appropriated to carry out this sec-
13 tion for each fiscal year among the States in the ratio that
14 the amount paid to each State under section 403(a)(1)
15 of the Social Security Act for the fiscal year bears to the
16 total amount paid to all States under that section for the
17 fiscal year.

18 (h) PROGRAM EVALUATION.—

19 (1) COMPTROLLER GENERAL.—Six months
20 after the date of the enactment of this Act and each
21 6 months thereafter, the Comptroller General shall
22 conduct a study to evaluate the access to jobs pro-
23 gram conducted under this section and transmit to
24 the Committee on Transportation and Infrastructure
25 of the House of Representatives and the Committee

1 on Banking, Housing, and Urban Affairs of the Sen-
2 ate the results of the study.

3 (2) DEPARTMENT OF TRANSPORTATION.—
4 Within 2 years after the date of the enactment of
5 this Act, the Secretary shall conduct a study to
6 evaluate the access to jobs program conducted under
7 this section and transmit to the Committee on
8 Transportation and Infrastructure of the House of
9 Representatives and the Committee on Banking,
10 Housing, and Urban Affairs of the Senate the re-
11 sults of the study.

12 (i) DEFINITIONS.—In this section, the following defi-
13 nitions apply:

14 (1) CAPITAL PROJECT AND URBANIZED
15 AREA.—The terms “capital project” and “urbanized
16 area” have the meanings such terms have under sec-
17 tion 5302 of title 49, United States Code.

18 (2) EXISTING TRANSPORTATION SERVICE PRO-
19 VIDERS.—The term “existing transportation service
20 providers” means mass transportation operators and
21 governmental agencies and nonprofit organizations
22 that receive assistance from Federal, State, or local
23 sources for nonemergency transportation services.

24 (3) WELFARE RECIPIENT.—The term “welfare
25 recipient” means an individual who receives or re-

1 ceived aid or assistance under a State program fund-
2 ed under part A of title IV of the Social Security
3 Act (whether in effect before or after the effective
4 date of the amendments made by title I of the Per-
5 sonal Responsibility and Work Opportunity Rec-
6 onciliation Act of 1996) at any time during the 3-
7 year period ending on the date the applicant applies
8 for a grant under this section.

9 (j) FUNDING.—There is authorized to be appro-
10 priated to carry out this section \$500,000,000 per fiscal
11 year for fiscal years 1999 through 2004. Such sums shall
12 remain available until expended.

13 **SEC. 3. GUARANTEES OF LOANS MADE BY STATES TO CUR-**
14 **RENT OR RECENT WELFARE RECIPIENTS.**

15 (a) IN GENERAL.—The Secretary of Health and
16 Human Services may provide loan guarantees to States
17 in accordance with this section.

18 (b) LIMITATION ON ANNUAL AMOUNT OF LOAN
19 GUARANTEES.—The total dollar amount of loan guaran-
20 tees that may be provided under this section in a fiscal
21 year shall not exceed \$50,000,000.

22 (c) LIMITATION ON ANNUAL AMOUNT OF LOAN
23 GUARANTEES PER STATE.—The total dollar amount of
24 loan guarantees that may be provided to a State under
25 this section in a fiscal year is the amount that bears the

1 same ratio to \$50,000,000 as the total dollar amount pay-
2 able to the State under section 403(a)(1) of the Social
3 Security Act for the fiscal year (determined without re-
4 gard to any penalty imposed under section 409 of such
5 Act) bears to the total dollar amount payable to all States
6 under such section 403(a)(1) for the fiscal year (as so de-
7 termined).

8 (d) LOANS THAT MAY BE GUARANTEED.—The Sec-
9 retary of Health and Human Services may provide a loan
10 guarantee under this section with respect to a loan if—

11 (1) the loan is made by a State;

12 (2) the borrower is a recipient of assistance
13 under a State program funded under part A of title
14 IV of the Social Security Act;

15 (3) the principal amount of the loan is not less
16 than \$20 and not more than \$5,000; and

17 (4) the loan bears interest at an annual rate
18 that does not exceed the rate at which interest is
19 payable annually on bonds most recently issued by
20 the smallest political subdivision of the State in
21 which the borrower resides that has borrowing au-
22 thority.

23 (e) DEFINITION OF STATE.—In this section, the term
24 “State” has the meaning given such term in section
25 419(5) of the Social Security Act.

1 (f) REGULATIONS.—The Secretary of Health and
2 Human Services shall prescribe such regulations as may
3 be necessary to carry out this section.

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